

Introduced by Senator Walters

February 19, 2010

An act to add Section 17152.5 to the Revenue and Taxation Code, relating to taxation, to take effect immediately, tax levy.

LEGISLATIVE COUNSEL'S DIGEST

SB 1416, as introduced, Walters. Personal income taxes: capital gains: sale of principal residence: senior citizens.

The Personal Income Tax Law provides, in modified conformity to federal income tax laws, for the manner in which taxable gains are to be recognized upon the disposition of property, including real property that is the principal residence of the taxpayer.

This bill would, for taxable years beginning on or after January 1, 2010, provide that gross income does not include any gain from the sale or exchange of the principal residence of a taxpayer who is 65 years of age or older.

This bill would take effect immediately as a tax levy.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 17152.5 is added to the Revenue and
- 2 Taxation Code, to read:
- 3 17152.5. (a) Notwithstanding Section 17152, for each taxable
- 4 year beginning on or after January 1, 2010, gross income shall not
- 5 include any gain from the sale or exchange of the principal
- 6 residence of a qualified taxpayer.

1 (b) For purposes of this section, “qualified taxpayer” means a
2 taxpayer who is 65 years of age or older.

3 SEC. 2. This act provides for a tax levy within the meaning of
4 Article IV of the Constitution and shall go into immediate effect.

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